

13 Week Cash Flow Forecast (TWCF) HOW TO and SAMPLE MODELS

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For almost every business, the saying is true: “Cash is King”. And getting on top of cash flow with a 13 Week Cash Flow Forecast is truly the first and foremost task of any Controller. Reference to the report is often through an acronym “TWCF”.

Companies can be strapped for cash flow for a number of reasons – recession, undercapitalization, unprofitable operations, segments or customers becoming troubled, losses from bad bets or debts, unrestrained or unsustainable growth, purchasing too many assets without proper debt, too much withdrawn from a business by owners, or several other reasons.

The immediate question WHY? is not paramount – It will quickly become evident as the TWCF is prepared and used weekly. Then you can take the necessary actions to cure the ultimate problem.

The first and foremost task is the **MAKE THE FORECAST**. It will be very hard to do at first, and each company’s must be customized. There are some models that can be downloaded, and two of these are listed below.

Also important! Quick and approximately right is GOOD, slow and perfect is unacceptable. Give yourselves (and your accountant) to be “approximately right”. With each succeeding week of learning what was missed from the forecast, the TWCF model is improved. So yes, we will make mistakes. Eventually, we’ll get very good at it.

Below are articles that further expand on the important concepts of the TWCF, as well as sources of models.

MODEL and ARTICLE: 13 Week Cash Flow Forecast Model Template & Best Practices
By Blake Brunson, Sept 2018 <https://blog.embarkwithus.com/13-week-cash-flow-forecast-model-template-best-practices>

MODEL: Small Business Cash Flow Projection from Microsoft, free downloadable basic model <https://templates.office.com/en-us/Small-business-cash-flow-projection-TM01113236>

ARTICLE: Why WEEKLY? – Weekly vs. Monthly Cash Flow Projections –
<http://survivalware.wordpress.com/2006/08/28/weekly-vs-monthly-cash-flow-projections/>